NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (1/11):
BUTTER: Grade AA closed at $1.3750. The weekly average for Grade AA is $1.3617 (+.0117).
CHEESE: Barrels closed at $1.3150 and blocks at $1.3450. The weekly average for barrels is $1.2950 (+.0400) and blocks, $1.3180 (+.0713).
NONFAT DRY MILK: Extra Grade closed at $0.9900 and Grade A closed at $1.0000. The weekly average for Extra Grade is $0.9900 (N.C.) and Grade A, $1.0000 (N.C.).

BUTTER: Butter markets remain mixed. Many producers and handlers across the country continue to question the cash price strength at the CME. Most had assumed that prices would fall after most holiday needs were filled. Churning schedules in most areas of the country are seasonally quite strong. Reports indicate that churning schedules are seasonally active. Cream supplies continue to be readily available to most plants. In instances, cream is moving from one area to another for processing. Stocks of butter range from fully committed to readily available with inventories building. Buying interest varies across the country, but for the most part, orders are being placed for short term needs.

CHEESE: The cheese market is firm with an unsettled undertone. Recent sessions at the Chicago Mercantile Exchange have some traders questioning whether current increases are justified by supply and demand. Food service promotions are stimulating process sales. Barrel supplies have generally been in tighter balance with demand and good cheese trim supplies have disappeared. Current cheese production levels have returned to near pre-holiday levels. Cumulative cheddar cheese production during the period of January - November 2001 totals 2.529 billion pounds, down 53.2 million pounds (-2.1%) from the adjusted (for February 29) comparable 11 months in 2000. Cumulative total cheese output for the same period in 2001 is 7.450 billion pounds; 94.1 million pounds (-1.2%) lower than the same adjusted period in 2000.

FLUID MILK: Milk production is steady to higher with the most notable increases in the South. Warmer temperatures throughout most of the nation are encouraging milk production. Handlers are back to regular schedules after the seasonal influx of milk during the holidays. Class I demand is improving as retailers restock shelves after rush buying during snowstorms in the South. Tourist activity and school sessions are also encouraging Class I interest. Heavier movement into bottling is reducing milk intakes at some manufacturing facilities. However, some reports of discounting are still being noted on surplus volumes of milk moved in the Midwest. Condensed skim prices are lower yet interest is higher as plants return to normal operating schedules after the holidays. Cream prices are trending higher with increases in the CME AA butter price. Supplies are in better balance in the East than in the Midwest or West as heavy volumes encourage lower multiples. Movement into Class II facilities is seasonally slower while cream intake into butter operations is increasing.

DRY PRODUCTS: Dry product markets are trending weaker as milk influxes over the holidays are realized in dry product supplies. Sales to the CCC are reported in all 3 regions this week. Prices are lower in the Central/East and unchanged in the West. Buttermilk supplies are heaviest in the Central area with stocks growing in the Eastern region. Production is steady and more level after heavier production seen during the holidays. Heavier whey supplies in the West are impacting price and movement in other regions. Prices are generally lower with resellers also offering out product at a discount. Lactose prices are unchanged on a firm market. Contract negotiations continue in Japan for limited supplies. The WPC market is unsettled as buyers await the next CCC sell back announcement. Offers of 80% and isolates are being noted to some broker operations.

CCC: During the week of January 7 – 11, adjusted purchases totaled 21,067,919 sourced from the West (19,694,025), Midwest (1,056,541) and East (317,353). From the first of the year, this total is adjusted to 25,036,227 pounds where the additional 3,968,308 pounds are sourced solely from the West. These are the first purchases from the Midwest and East since the week ending reports on 8/2/2001 and 7/21/2000 respectively.

NOVEMBER DAIRY PRODUCTS HIGHLIGHTS (NASS): Butter production was 98.9 million pounds in November, 1.4% below November 2000 and 10.9% below October 2001. American type cheese production totaled 284.5 million pounds, 1.9% above November 2000 but 4.0% below October 2001. Total cheese output (excluding cottage cheese) was 680.6 million pounds, 0.8% above November 2000 but 0.3% below October 2001. NDM production, for human food, totaled 105.3 million pounds, 5.9% above November 2000 and 2.5% above October 2001. Dry whey production, for human food, was 77.0 million pounds, 5.2% below November 2000 but 2.2% above October 2001. Ice cream (hard) production totaled 60.1 million gallons, 5.0% above November 2000 but 11.1% below October 2001.

CONSUMER PRICE INDEX (BLS): The November CPI for all food is 174.6, up 3.4% from November 2000. The dairy products index at 171.2 is up 6.1% from a year ago. The following are the November-to-November changes for selected products: fresh whole milk +8.0%, cheese +6.0%, and butter +27.9%.

COMMERCIAL DISAPPEARANCE (ERS, AMS): Commercial disappearance of dairy products during the first ten months of 2001 totals 140.6 billion pounds, 0.1% higher than the same period in 2000. Comparing disappearance levels with year earlier levels: butter is –4.7%, American cheese, +3.0%; other cheese, -0.4%; NDM, +30.0%; and fluid milk product, -0.3%.

SPECIALS THIS ISSUE

NOTICE: THE CME WILL BE CLOSED ON MONDAY, JANUARY 21, 2002, IN OBSERVANCE OF DR. MARTIN LUTHER KING, JR. DAY

CHICAGO MERCANTILE EXCHANGE
CASH TRADING

CHEESE: carload = 40,000-44,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY JANUARY 7	TUESDAY JANUARY 8	WEDNESDAY JANUARY 9	THURSDAY JANUARY 10	FRIDAY JANUARY 11	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	$1.2550 (N.C.)	$1.2750 (+.0200)	$1.3150 (+.0400)	$1.3150 (N.C.)	$1.3150 (N.C.)	+.0600	$1.2950 (+.0400)
40# BLOCKS	$1.2550 (N.C.)	$1.3000 (+.0450)	$1.3450 (+.0450)	$1.3450 (N.C.)	$1.3450 (N.C.)	+.0900	$1.3180 (+.0713)
BUTTER							
GRADE AA	$1.3500 (N.C.)	-----	$1.3600 (+.0100)	-----	$1.3750 (+.0150)	+.0250	$1.3617 (+.0117)

*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM (NOTE: The NDM daily/weekly prices are reported here when changes occur. The Extra Grade price is $.9900 and Grade A price is $1.0000. NDM information remains available at the above internet address.)

CHICAGO MERCANTILE EXCHANGE

MONDAY, JANUARY 7, 2002

CHEESE — SALES: 5 CARS 40# BLOCKS: 2 @ $1.2650, 2 @ $1.2700, 1 @ $1.2600; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR 40# BLOCKS @ $1.2550

BUTTER — SALES: NONE; BIDS UNFILLED: 1 CAR GRADE AA @ $1.3000; OFFERS UNCOVERED: NONE

TUESDAY, JANUARY 8, 2002

CHEESE — SALES: 5 CARS 40# BLOCKS: 1 @ $1.2875, 1 @ $1.2900, 1 @ $1.2925, 1 @ $1.2950, 1 @ $1.3000; BIDS UNFILLED: 2 CARS BARRELS: 1 @ $1.2750, 1 @ $1.2625; 2 CARS 40# BLOCKS: 1 @ $1.2975, 1 @ $1.2950; OFFERS UNCOVERED: NONE

WEDNESDAY, JANUARY 9, 2002

CHEESE — SALES: 3 CARS 40# BLOCKS: 1 @ $1.3100, 1 @ $1.3225, 1 @ $1.3450; BIDS UNFILLED: 1 CAR BARRELS @ $1.3150; OFFERS UNCOVERED: 1 CAR 40# BLOCKS @ $1.3500

BUTTER — SALES: 1 CAR GRADE AA @ $1.3600; BIDS UNFILLED: 1 CAR GRADE AA @ $1.3500; OFFERS UNCOVERED: NONE

THURSDAY, JANUARY 10, 2002

CHEESE — SALES: 1 CAR 40# BLOCKS @ $1.3450; BIDS UNFILLED: 1 CAR 40# BLOCKS @ $1.3450; OFFERS UNCOVERED: NONE

FRIDAY, JANUARY 11, 2002

CHEESE — SALES: 1 CAR 40# BLOCKS @ $1.3450; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ $1.3150

BUTTER — SALES: 7 CARS GRADE AA: 1 @ $1.3500, 1 @ $1.3600, 2 @ $1.3625, 1 @ $1.3675, 1 @ $1.3725, 1 @ $1.3750; BIDS UNFILLED: 5 CARS GRADE AA: 1 @ $1.3725, 2 @ $1.3675, 1 @ $1.3600, 1 @ $1.3575; OFFERS UNCOVERED: 1 CAR GRADE AA @ $1.5000

BUTTER MARKETS

NOVEMBER BUTTER PRODUCTION

During November 2001, butter production in the United States totaled 98.9 million pounds, 1.4% less than November 2000 and 10.9% lower than October 2001. Year to date production is down 5.4% when compared to the first eleven months of 2000. The following are November to November changes for various states: CA –4.0%, NY +30.5%, PA –17.0%, and WI +21.5%.

NORTHEAST

The butter price is steady at firm levels, although many producers and handlers are questioning the strength of the current market. Most Eastern butter operations report that churning schedules are seasonally quite active. Cream supplies are readily available to the point that additional cream volumes are moving into other areas of the country for processing. Butter stocks are more than adequate for current buyer needs. Producers and handlers indicate that current production is surpassing current demand, thus additional stocks are clearing to inventory. Buying interest is fair at best. Most orders that are being placed are for short term needs. Sales of bulk butter, f.o.b. East, are reported in a range of 1 – 6 cents over the CME price/average.

CENTRAL

The butter price at the CME remains firm at midweek, although many producers and handlers question why. Most butter operations are reporting that churning schedules are seasonally active as cream supplies are readily available from local and out of area sources. In most instances, current production is heavier than current demand requires. Overall buying interest at this time is for short term or immediate needs. Some buyers continue to reduce holiday carryover stocks before re-entering the market. Many butter producers and handlers report that fourth quarter sales finished off the quarter much stronger than anticipated earlier in the fall. Retail feature activity, favorable retail prices, and overall renewed consumer confidence are three factors being attributed to good butter sales to conclude 2001. Bulk butter for spot sale is selling in a price range of 1 - 3 cents per pound over various pricing basis.

WEST

Some manufacturers report that they are sold out of butter through the end of the month. Others indicate that they have a bit more butter on hand than desired. Most are seeing good reorders after the holiday season. Abundant cream remains available for churning after the holidays. Some contacts are surprised at the price strength in butter. Most had assumed that prices would fall after most holiday needs were filled. They continue to consider the impact of a possible price tilt on butter/powder markets. Some believe that retail prices remain too high to generate real impressive sales. U.S. butter production for the first 11 months of the year totals 1.1 billion pounds, 5.4% less than the same period last year. The difference amounts to more than 63 million pounds of butter compared to 25.9 million pounds of high tier butter imports. Butter production in the Western region during November was 6.5% less than November 2000. CME weekly butter stocks have increased 9.9 million pounds over the last two weeks, the first real increase since May, and stand at 29.0 million pounds. Current prices for bulk butter range from 5 cents under to flat market based on the CME with various time frames and averages involved.

NASS DAIRY PRODUCT PRICES

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	NDM	BUTTER	DRY WHEY
JANUARY 5	1.2431 7,826,894	1.2648 9,560,787	0.9183 18,727,997	1.3292 4,556,494	0.2793 8,515,999

Further data and revisions may be found on the internet at: http://jan.mannlib.cornell.edu/reports/nassr/price/dairy

CHEESE MARKETS

NORTHEAST

Process prices are fractionally lower and natural prices, except Swiss, are lower. Buyers are reordering product after the holidays. Current cheese production is generally lighter than during the yearend holiday period. Some additional cheese volumes produced during the holidays are still available. Recent winter storms have caused some interruptions in production and delivery schedules as well as Class I use.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.2900-1.7600
Cheddar Single Daisies	:	1.2475-1.7075
Cheddar 40# Block	:	1.3875-1.5050
Process 5# Loaf	:	1.4650-1.6275
Process 5# Sliced	:	1.4850-1.7425
Muenster	:	1.4500-1.6575
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is firmer, though with an unsettled undertone. Orders and operating schedules are unchanged to occasionally improved in the New Year. Most of the improvement is at locations that had sharply reduced holiday schedules. Process movement is being stimulated by various food service promotions. Barrels, in general, appear to be in tighter balance than blocks. Late year cheese trim and "better quality" undergrade supplies seem to have tightened dramatically. Shred orders continue good with cutting operations often improved from recent levels. Mozzarella supplies are adequate to more than adequate for the current interest. Between the extra holiday milk, increasing production, and students on school break; mozzarella supplies often loosen temporarily early in the year. Cheddar aging programs are being rebuilt though speculative loads are limited. Current cheese production has returned to around pre-holiday levels as school milk needs have rebounded.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.4750-1.6500
Brick And/Or Muenster 5#	:	1.6300-1.8075
Cheddar 40# Block	:	1.6100-2.1150
Monterey Jack 10#	:	1.8300-2.1150
Blue 5#	:	1.9975-2.3300
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.5875-2.2150
Grade A Swiss Cuts 6 - 9#	:	1.9675-2.6900

MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%), carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES	:	JANUARY 7 - 11, 2002
BARRELS*	:	$1.2650 - 1.2850 (NOMINAL)
	:	(.0100)
40# BLOCKS	:	$1.2475 - 1.3450 (NOMINAL)
	:	($.0025) (.0425)

( ) Change from previous week. * If steel, barrel returned.

WEST

Natural and process cheese prices weakened somewhat based on the CME average for last week. CME prices moved sharply higher on cash trading at mid-week. Most manufacturing plants produced extra cheese over the yearend holidays, but much of this has cleared into the market and stocks don't seem to be a problem at most operations. Buyers continue to search for good volumes of current cheese. Buyers are concerned with the higher prices this week and are a little surprised at the overall strength in the market at this time of the year. U.S. American cheese production for the first 11 months of the year totals 3.24 billion pounds, down 2.9% (95 million pounds) from last year. November output in the Western region is up 7.3% from November 2000. The Western region produces almost half of U.S. American cheese production. November output of Swiss cheese totals 19.5 million pounds, up 6.7% from a year earlier.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.4100-1.6700
Cheddar 40# Block	:	1.3650-1.5050
Cheddar 10# Cuts	:	1.5450-1.7650
Monterey Jack 10#	:	1.5550-1.7150
Grade A Swiss Cuts 6 - 9#	:	2.3600-2.5300

FOREIGN

Imported prices are unchanged and domestic are generally at least a couple cents lower. Current offerings are generally adequate for needs. Buyers have reviewed yearend sale results and are reordering for anticipated Super Bowl needs.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

		NEW YORK		
VARIETY	:	IMPORTED	:	DOMESTIC
Roquefort	:	TFEWR	:	-0-
Blue	:	2.6400-3.1400	:	1.5925-3.0875*
Gorgonzola	:	3.2400-5.9400	:	2.0925-2.4900*
Parmesan (Italy)	:	TFEWR	:	3.0100-3.0625*
Romano (Italy)	:	2.1000-2.9900	:	-0-
Provolone (Italy)	:	3.4400-5.5000	:	1.6000-1.8200*
Sardo Romano (Argentine)	:	2.6500-3.2900	:	-0-
Reggianito (Argentine)	:	2.6500-3.2900	:	-0-
Jarlsberg-(Brand)	:	2.7500-3.5900	:	-0-
Swiss Cuts Switzerland	:	-0-	:	2.3500-2.5500
Swiss Cuts Finnish	:	2.5900-2.8500	:	-0-
Swiss Cuts Austrian	:	2.2500-2.7500	:	-0-
Edam	:		:	
2 Pound	:	TFEWR	:	-0-
4 Pound	:	2.1900-2.9500	:	-0-
Gouda, Large	:	2.3900-2.6800	:	-0-
Gouda, Baby ($/Dozen)	:		:	
10 Ounce	:	27.8000-31.7000	:	-0-

* = Price change.

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	:	CHEESE
01/07/02	16,386	:	122,799
01/01/02	13,010	:	118,187
CHANGE	3,376	:	4,612
% CHANGE	26	:	4

FLUID MILK AND CREAM

EAST

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	69	0	11	0	33	0
SOUTHEAST STATES	0	0	0	0	0	0

Milk production is steady and seasonally increasing. Excess supplies are less notable after the holidays as milk is again diverted into bottling facilities for school sessions. Class I demand in the South is also increasing as retailers restock shelves after a typical influx in demand following the recent winter storm. Tourist activity is increasing in Florida. As a result, milk shipments into Florida are higher and manufacturing intakes are lower. Milk silos are generally in balance to levels prior to the holidays, allowing manufacturers to produce more time consuming products like whole milk and high heat NDM. Condensed skim sales are increasing as plants re-establish regular operating schedules. Most movement is occurring into Class III facilities for the increasing interest at cheese facilities. Some renewed ice cream interest is also appearing for Class II condensed skim, yet sales are mostly slow. Prices are lower for Class II and III condensed skim as January prices are realized. Cream supplies are in better balance than in prior weeks. While supplies are not tight, prices are moving higher in light of increases in the weekly CME AA butter average. Cream movement into ice cream facilities is increasing for the seasonal interest while packaged cream production is lower. Churning activity is mostly steady to higher.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, $ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST -	1.6740-1.8090
DELIVERED EQUIVALENT ATLANTA -	1.6470-1.8225 M 1.6875-1.7280
F.O.B. PRODUCING PLANTS: UPPER MIDWEST -	1.6470-1.8090

PRICES OF CONDENSED SKIM, $ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:

NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES -	1.0000-1.0500
NORTHEAST- CLASS III - SPOT PRICES -	.9200-.9900

MIDWEST

Class I fluid use rebounded to levels similar to those before the holiday, aided in instances, by retail promotional activity. Most bottlers/bottler handlers went from being still long last week to short and purchasing additional spot supplies this week. Most remaining schools reopened, although a few college students returned except for those with abbreviated between the semester special sessions. Class I premiums, starting about Wednesday, returned to the $2.00 – 3.00 over class area. Manufacturing milk supplies remained heavy through the weekend with some discounting still occurring. Manufacturing plant schedules have slowed from the extended levels needed during the holidays. Recent cheese price increases at the Chicago Mercantile Exchange had generated some additional buyer interest in purchasing cheese. Condensed skim prices range from $1.05 for Class II to $.92 on Class III. Condensed interest has improved after the holidays. Cream supplies remain long and churners are not active in seeking supplies. Handlers seeking a trucker to move a load of milk or cream occasionally have to make more than 1 call to secure an empty tanker, since many remain full of cream. Ice cream production has started after being down during the yearend holiday period, though some extra cream is still moving from ice cream producers. Dip production has also slowed from pre-holiday levels. Cream prices are nominal, though higher, reflecting the increase in the weekly average on the Chicago Mercantile butter market. The increase in butter prices continues to baffle some in the industry, especially with long cream supplies. Current plant milk intakes are steady to slightly higher. Unseasonably warm temperatures (including a few record daily high tying temperatures) have melted much of the limited snow cover. The warmer temperatures have allowed some outside lots and yards to be cleaned, though fields are again muddy where wet.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	JANUARY 3 - 9	PREVIOUS YEAR
SLAUGHTER COWS	$ 35.00- 41.00	$ 36.00- 41.00
REPLACEMENT HEIFER CALVES	$480.00-600.00	$230.00-300.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	JANUARY 3 - 9	PREVIOUS YEAR
SLAUGHTER COWS	$ 35.00- 42.00	$ 33.00- 45.50

WEST

Conditions have changed little for milk production throughout the SOUTHWEST. In CALIFORNIA, milk output is steady to slightly higher at levels above a year ago across much of the state. In the south, drier conditions have returned and the status of cow lots has improved. Production plants in the state are returning to pre-holiday schedules and many are said to want more milk. In the Central Valley, the traditional fog is enveloping for at least part of the day. Cooler temperatures are common, but the rains have slowed. Some areas are still drying out from past weeks. Production remains rather steady, reflecting some stress on the milk cows. In NEW MEXICO, there are few changes in milk production patterns. Some additional demand was noted from bottlers. Other production plants are doing well with processing. Some areas of the state were seeing wide fluctuations in temperatures over the week. Milk production in ARIZONA is mostly steady with recent weeks. December levels were indicated to be slightly above a year prior. Production plants are returning to normal schedules. Record high temperatures were noted early in the week. High temperatures were forecast to remain in the 70's, a very comfortable level for the milk herds. CREAM in the West remains on the ample side. The higher supplies are confounding when buyers see higher butter prices at the CME. Butter makers want lower prices for the cream to help them offset potential liabilities should a butter correction work through and they have inventories. Western cream multiples are reported in the range of 107 to 129, FOB, but are negotiable. Some scattered flooding is noted over parts of the PACIFIC NORTHWEST. Some areas have received rain for 30 consecutive days. Conditions have been warm enough to bring out most of the low snow, which has added to the high water. Conditions are not nearly as bad as 1996. Some contacts are noting that milk production is increasing slightly in the region mostly due to the warm temperatures. The wet weather is causing some concern about rising SCC. Some comments from milk producers indicate that heifer demand has slowed somewhat because of declining milk prices. Heifer prices have not done much in response. Some milk producers are reassessing their hay stocks and are looking for additional supplies of good quality dairy hay. They are not having much success. Some manufacturing plants in the region are closely watching developments on the charges for milk going into bottling plants implemented by the over-order pricing agency. Some deadlines are fast approaching. Normal winter weather conditions continue to be the main factor influencing milk supplies in NORTHERN UTAH and SOUTHERN IDAHO. Milk supplies seem to be generally steady in the region to down slightly where cold weather has had more of an impact. Fog has been more common this past week. The solids content on the milk receipts ranges from steady with a year earlier to slightly higher. With improving water supplies over much of the region, dairy producers are wondering if hay growers will respond to the current pricing signals and increase hay acres.

NDM, BUTTERMILK & WHOLE MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Prices are lower on low heat and unchanged on high heat. The market tone is steady to weak. Production increases over the holidays are being realized with sales to the government being reported. Production for the current week is steady to lower as milk moves out of manufacturing and back into bottling for school sessions. Stocks are mostly in balance due to government sales. Demand is light to fair and best on contractual basis.

EAST: Prices are lower on a steady to weak market. Production is returning to pre-holiday levels as milk moves to bottling to replenish retail shelves from the increased sales during the recent snow storm. Packaging for government sale is still occurring with some sales reported for the current week. Trades of New Zealand high heat NDM are being noted well below the current range. Offerings of New Zealand low heat NDM are reportedly available as well.

DAIRY PRODUCTS: Production of human food, nonfat dry milk during November 2001 totaled 105.3 million pounds, up 5.9% from November 2000 and 2.5% above October 2001. Month ending stocks, at 102.3 million pounds, are 23.2% below a year ago but 1.9% higher than October 2001.

Includes EXTRA GRADE and GRADE A

F.O.B. CENTRAL/EAST:

LOW/MEDIUM HEAT:	.9000 - .9725	MOSTLY:	.9300 - .9700
HIGH HEAT:	.9600 - 1.0350		

NONFAT DRY MILK - WEST

Prices are unchanged and the market tone remains unsettled to weak for low/medium NDM. Production levels increased over the holidays and now have returned to pre-holiday schedules. Supplies remain in excess of the current light demand. There are some shortages of NDM in 50 pound bags. On December 31, CCC adjusted purchases totaled 6,782,919 pounds of Western NDM under the price support program. The calendar year 2001 adjusted purchases totaled 356,823,821 pounds of NDM, compared to 558,074,132 pounds in 2000. High heat prices are unchanged. Offerings and demand are light and balanced. U.S. NDM production in November totaled 105.3 million pounds, up 5.9% from last year and 2.5% higher than October. November production in the West region totaled 87.7 million pounds, up 9.1% from last year. California totaled 57.3 million pounds, up 5.2% from last year. U.S. stocks at the end of November were reported at 102.3 million pounds, down 23.2% from last year but up 1.9% from last month.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT:	.8950 - 1.0100	MOSTLY:	.9000 - .9250
HIGH HEAT:	.9550 - 1.0200		

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
January 4	$.9087	11,852,403	5,374,525
December 28	$.9111	5,008,287	2,548,966

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Total sales (pounds) include sales to CCC. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

DRY BUTTERMILK - CENTRAL

Prices are unchanged to lower on a weak market. Some bids are being noted below the range as buyers attempt to converge buttermilk pricing with lower priced NDM. Increases in churning activity over the holidays encouraged higher buttermilk output. While some locations are readily clearing buttermilk in the condensed form, other plants are building inventories of dry buttermilk. Production is steady to lower as excess milk and cream volumes from the holidays dissipates. Demand is fair at best. Dry buttermilk production during November 2001 totaled 4.1 million pounds, down 1.5% from November 2000 but 1.2% higher than October 2001. Month ending stocks, at 4.0 million pounds, are 3.2% above last year and 7.2% higher than last month.

BUTTERMILK:	.9300 - 1.0350

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are unchanged on a steady to weak market. Product is generally being offered at the average. With heavy butter production during the last few weeks, producers are anticipating buttermilk supplies to increase. While ice cream facilities are returning to normal schedules after the holiday, intakes of condensed buttermilk at ice cream facilities are lower. Dry buttermilk stocks are increasing for the light interest. Dry buttermilk production during November 2001 totaled 4.1 million pounds, down 1.5% from November 2000 but 1.2% higher than October 2001. Month ending stocks, at 4.0 million pounds, are 3.2% above last year and 7.2% higher than last month.

F.O.B. NORTHEAST:	1.0000 - 1.0500
DELVD SOUTHEAST:	1.0300 - 1.0800

DRY BUTTERMILK - WEST

Western prices are unchanged, but the market tone remains unsettled. This is more evident beyond the first sales point and apparent with the widening gap between Central and West prices. Production is declining and leveling off following the holidays. Stocks are light to moderate. U.S. dry buttermilk production in November totaled 4.1 million pounds, down 1.5% from last year but 1.2% higher than October. Stocks at the end of November were reported at 4.0 million pounds, up 3.2% from a year earlier and 7.2% above October.

BUTTERMILK:	1.0300 - 1.0650	MOSTLY:	1.0300 - 1.0400

DRY WHOLE MILK - NATIONAL

Prices are generally higher yet some pricing is also lower within the range. The contradiction is in response to higher butter prices reported at the CME while a lower butterfat price was recently reported in the milk price computation. Milk supplies have stabilized since the holiday influx, allowing manufacturers to produce the more time consuming products like whole milk. Production of whole milk is therefore generally higher. Demand is steady and best into candy facilities. Whole milk production during November 2001 totaled 3.3 million pounds, down 46.2% from November 2000 and 19.0% below October 2001. Month ending stocks are not reported for this product.

F.O.B. PRODUCING PLANT:	1.1900 - 1.3000

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 2001 THROUGH JANUARY 4,2002
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	–	23,669	MT (54,385,277 LBS)
CHANGE	–	3,000	MT (6,613,800 LBS)
CHEESE	--	3,030	MT (6,679,938 LBS)

This program-year allocation is filled.

Allocations for the DEIP year beginning July 1, 2001: Nonfat dry milk -- 68,201 MT; Cheese -- 3,030 MT; Butterfat -- 21,097 MT.

WHEY, CASEIN & EVAPORATED MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

DRY WHEY - CENTRAL

Prices are unchanged to lower. Due to the growing price spread between the Central and West markets, some producers are finding the need to discount in order to clear supplies. Production volumes at some locations increased over the holidays, resulting in heavier inventories and a greater impetus to reduce prices. Some plants believe that the higher production volumes are only a temporary result of holiday milk. However, traders and buyers see the market trending lower as is seasonally expected at this time of year. Warehoused product is reportedly available at prices below the range. Production of human food, dry whey during November 2001 totaled 77.0 million pounds, 5.2% less than November 2000 but 2.2% above October 2001. Month ending stocks, at 27.4 million pounds, are 23.0% below a year ago but 11.1% more than October 2001.

NONHYGROSCOPIC: .2700 - .3075 MOSTLY: .2800 - .2950

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are unchanged to lower on a market that is trending mostly steady to instances weak. Supplies are generally in balance with some spot exceptions whereby producer discounts are noted. Resellers are offering product at a discount and meeting some price resistance, especially into feed accounts. Production is mostly steady for the fair demand. Off grade supplies are available at some locations and clearing at prices 1-2 cents below the average. Production of human food, dry whey during November 2001 totaled 77.0 million pounds, 5.2% less than November 2000 but 2.2% above October 2001. Month ending stocks, at 27.4 million pounds, are 23.0% below a year ago but 11.1% more than October 2001.

F.O.B. NORTHEAST:	EXTRA GRADE	.2800 - .3025
	USPH GRADE A	.3000 - .3125
DELVD SOUTHEAST:		.3175 - .3325

DRY WHEY – WEST

Prices continue to weaken for Western whey powder. Contacts are noting that the lower prices are beginning to stimulate some additional export interest and sales. Domestic sales are fair, but some buyers are only ordering for immediate needs assuming that prices will continue to soften. Cheese and therefore whey production were higher over the holidays. Much of this added output has worked through the system. November U.S. human food whey production totals 77.0 million pounds, down 5.2% from a year earlier. Stocks at the end of the month are 27.4 million pounds, down 23.0% from last year. Western region output is 22.3 million pounds, down 18.3% from November 2000.

NONHYGROSCOPIC: .2300 - .2675 MOSTLY: .2350 - .2550

ANIMAL FEED WHEY - CENTRAL

Prices are unchanged to lower on a steady to weak market. As prices for Extra Grade decline, offers and trades on the milk replacer product are also trending lower. Supplies are mixed for the light to fair demand. Roller ground production is unchanged with prices generally dependent on changes in the Extra Grade market. Therefore, roller ground prices are expected to decline in the weeks to come. Delactose interest continues strong into food and feed facilities. However, some sellers suggest that declines in whey prices would most likely encourage lower delactose prices, especially in light of the recent decreases in the WPC market. The early weaned pig and North Central veal markets are trending firm.

MILK REPLACER:	.2300 - .2600
ROLLER GROUND:	.2825 - .2950
DELACTOSE (Min. 20% protein):	.4150 - .4300

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are mixed on an unsettled market. Less resistance is being expressed by buyers, encouraging prices to somewhat stabilize. However, with another CCC NDM sell back announcement expected, trading is light. Because of the lower amount of product sold last month by the CCC, some feed buyers are inquiring with WPC producers about available WPC stocks in 2002. Traders suspect that the WPC price will be dependent on prices revealed on the next CCC NDM award announcement. Export movement for edible stock is noted into Canada and Mexico. Feed users are reselling excess WPC stocks at a discount to the current market. Offerings of 80% WPC and isolates are heavy into some brokerage facilities with noted buyer resistance. Production of human food WPC during November 2001 totaled 21.7 million pounds, down 2.9% from November 2000 and 4.3% below October 2001. Manufacturers end-of-month stocks totaled 13.6 million pounds, 28.5% higher than a year ago and 6.0% above last month. Production totals for selected states with changes from 2000 include: California, 6.8 million pounds, -4.1%; Minnesota, 3.1 million pounds, -2.6%; and Wisconsin, 4.1 million pounds, -3.0%.

EXTRA GRADE 34% PROTEIN: .6100 - .6975 MOSTLY: .6575 - .6850

LACTOSE - CENTRAL AND WEST

Prices are unchanged on a firm market. Some contract negotiations continue in Japan. Spot trading is nominal with most plants unable to offer product. Inquiries are noted from Canada, China and Taiwan. Domestic interest is best from infant formula and chocolate companies. Production is mostly steady with some slight increases noted over the holidays. Off grade supplies are limited for the good interest at prices generally just below the average. Lactose production during November 2001 totaled 48.0 million pounds, up 14.2% from November 2000 but 6.0% below October 2001. Month ending stocks, at 21.8 million pounds, are 21.7% lower than a year ago but 0.3% above last month. Production totals for selected regions with changes from 2000 include: East North Central, 9.8 million pounds, N.A.; West North Central, 14.1 million pounds, -0.9%; West, 22.1 million pounds, +17.0%.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .2000 - .2700 MOSTLY: .2075 - .2375

CASEIN – NATIONAL

Casein markets are generally steady as the new year begins. Prices for first quarter deliveries are lower. Production in the Oceania region is seasonally active with suppliers indicating that stocks are sufficient to meet shipment schedules. In Europe, for the most part, stocks are available to meet needs until the new production season soon gets underway. Many European producers are optimistic about output during the upcoming production season. Producers feel that weak international skim powder prices will hopefully encourage milk volumes to clear to casein production where possible.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET:	2.3500 - 2.5000
ACID:	2.1800 - 2.3500

EVAPORATED MILK - NATIONAL

Prices remain unchanged on a steady market. With heavier milk supplies, producers are rebuilding stocks and organizing promotions for the first quarter of the year. Demand is better than anticipated for this time of year. Suppliers suspect that increased consumption of food at home may be the cause. Competition between suppliers is strong, resulting in prices predominately at the lower end of the range. Canned evaporated milk production during November 2001 totaled 41.6 million pounds, down 9.9% from November 2000 and 3.5% below October 2001. Manufacturers end-of-month stocks totaled 53.1 million pounds, 24.7% higher than a year ago and 6.6% below last month.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED
MAJOR U.S. CITIES $19.00 - 33.00

Excluding promotional and other sales allowances. Including new price announcements.

NOVEMBER 2001 DAIRY PRODUCTS HIGHLIGHTS

BUTTER production was 98.9 million pounds in November, 1.4 percent below November 2000 and 10.9 percent below October 2001. **AMERICAN TYPE CHEESE** production totaled 284.5 million pounds, 1.9 percent above November 2000 but 4.0 percent below October 2001. **TOTAL CHEESE** output (excluding cottage cheese) was 680.6 million pounds, 0.8 percent above November 2000 but 0.3 percent below October 2001. **NONFAT DRY MILK** production, for human food, totaled 105.3 million pounds, 5.9 percent above November 2000 and 2.5 percent above October 2001. **DRY WHEY** production, for human food, was 77.0 million pounds, 5.2 percent below November 2000 but 2.2 percent above October 2001. **ICE CREAM** (hard) production totaled 60.1 million gallons, 5.0 percent above November 2000 but 11.1 percent below October 2001.

PRODUCTION OF DAIRY PRODUCTS

PRODUCT	NOV 2001 1,000 LBS.	PERCENT CHANGE FROM: NOV 2000	OCT 2001	YEAR TO DATE 1/
BUTTER	98,934	-1.4	-10.9	-5.4
CHEESE				
AMERICAN TYPES 2/	284,501	1.9	-4.0	-2.9
CHEDDAR	217,321	3.9	-5.8	-2.4
SWISS	19,547	6.7	-6.5	---
BRICK & MUENSTER	7,296	-6.3	-7.7	---
CREAM & NEUFCHATEL	69,343	-4.1	7.1	---
HISPANIC	8,035	1.2	-15.5	?
MOZZARELLA	219,114	3.6	1.4	1.1
OTHER ITALIAN TYPES	57,120	-6.4	12.7	-4.8
TOTAL ITALIAN TYPES	276,234	1.3	3.6	-0.1
ALL OTHER TYPES	15,616	-7.7	-6.9	---
TOTAL	680,572	0.8	-0.3	-1.5
COTTAGE CHEESE, CURD 3/	35,202	-4.4	-7.1	---
COTTAGE CHEESE, CREAM 4/	29,935	-0.6	-4.7	-0.2
COTTAGE CHEESE, LOWFAT 5/	27,948	-2.0	-10.3	0.5
CANNED EVAPORATED & CONDENSED				
WHOLE MILK	41,635	-9.9	-3.5	---
DRY WHOLE MILK	3,267	-46.2	-19.0	---
NONFAT DRY MILK, HUMAN FOOD	105,321	5.9	2.5	-3.1
DRY SKIM MILK, ANIMAL FEED	594	66.9	35.9	---
DRY BUTTERMILK	4,064	-1.5	1.2	---

PRODUCT	NOV 2001 1,000 LBS.	PERCENT CHANGE FROM: NOV 2000	OCT 2001	YEAR TO DATE 1/
YOGURT (PLAIN AND FLAVORED)	144,477	9.8	-9.9	---
CONDENSED WHEY, SOLIDS CONTENT 6/				
SWEET-TYPE, HUMAN FOOD	11,772	80.8	-10.5	---
SWEET-TYPE, ANIMAL FEED	1,267	11.1	34.6	---
DRY WHEY PRODUCTS				
DRY WHEY, HUMAN FOOD	76,978	-5.2	2.2	---
DRY WHEY, ANIMAL FEED	4,750	-13.3	11.2	---
REDUCED LACTOSE AND MINERALS				
HUMAN FOOD	7,024	36.3	-1.6	---
ANIMAL FEED	3,188	7.6	3.2	
LACTOSE, HUMAN FOOD & ANIMAL FEED	47,967	14.2	-6.0	---
WHEY PROTEIN CONCENTRATE				
HUMAN FOOD	21,699	-2.9	-4.3	---
ANIMAL FEED	3,924	-2.3	-4.6	---
FROZEN PRODUCTS	1,000 GALLONS	PERCENT CHANGE FROM:		
ICE CREAM (HARD)	60,073	5.0	-11.1	-2.2
ICE CREAM, LOWFAT (HARD)	5,807	-3.0	-22.2	---
ICE CREAM, LOWFAT (SOFT)	19,561	10.5	-11.3	---
ICE CREAM, LOWFAT (TOTAL)	25,368	7.1	-14.1	3.4
SHERBET (HARD)	3,132	4.3	-14.2	1.2
YOGURT (TOTAL)	5,909	10.0	-10.0	-3.3

MANUFACTURERS' STOCKS, END OF MONTH 7/

PRODUCT	NOV 2001 1,000 LBS.	PERCENT OF: NOV 2000	OCT 2001
DRY WHEY PRODUCTS			
DRY WHEY, HUMAN FOOD	27,445	-23.0	11.1
DRY WHEY, ANIMAL FEED	2,201	-69.3	-36.7
REDUCED LACTOSE & MINERALS—HUMAN & ANIMAL 8/	7,407	12.4	10.4
LACTOSE, HUMAN FOOD & ANIMAL FEED	21,841	-21.7	0.3
DRY BUTTERMILK, TOTAL	3,952	3.2	7.2

PRODUCT	NOV 2001 1,000 LBS.	PERCENT OF: NOV 2000	OCT 2001
WHEY PROTEIN CONCENTRATE			
HUMAN FOOD	13,571	28.5	6.0
ANIMAL FEED	1,804	-2.1	15.9
CANNED EVAPORATED & CONDENSED WHOLE MILK	53,139	24.7	-6.6
DRY WHOLE MILK 9/	----	----	----
NONFAT DRY MILK FOR HUMAN FOOD	102,343	-23.2	1.9
DRY SKIM MILK FOR ANIMAL FEED 9/	----	----	----

1/ 2001 cumulative as percent change of 2000 cumulative. 2/ Whole milk cheese, including Cheddar, colby, monterey and jack. 3/ Mostly used for processing into cream or lowfat cottage cheese. 4/ Fat content 4 percent or more. 5/ Fat content less than 4 percent. 6/ Final marketable product only. Does not include quantity used or shipped to another plant for further processing into dry whey or modified whey products. 7/ Stocks held by manufacturers at all points and in transit. 8/ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations. 9/ Information for these products was not shown in current report.

SOURCE: "Dairy Products," Da 2-6 (1-02), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

FEDERAL MILK ORDER CLASS AND COMPONENT PRICES, DECEMBER

Component Price Information: Under the Federal milk order pricing system, the butterfat price for December 2001 is $1.4322 per pound. Thus, the Class II butterfat price is $1.4392. The protein and other solids prices for December are $1.9782 and $0.1517 per pound, respectively. These component prices set the Class III skim milk price at $7.03 per cwt. The December Class IV skim milk price is $7.02 which is derived from the nonfat solids price of $0.7799 per pound. **Product Price Averages:** The product price averages for December are; butter $1.2894, nonfat dry milk $0.9199, cheese $1.2762, and dry whey $0.2868.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT 1/ 2/

FEDERAL MILK ORDER MARKETING AREAS 3/	ORDER NUMBER	DECEMBER 2001				JANUARY 2002
		CLASS I	CLASS II	CLASS III	CLASS IV	CLASS I
		DOLLARS PER 100 POUNDS				
Northeast (Boston) 4/	001	15.23	12.61	11.80	11.79	15.21
Appalachian (Charlotte) 5/	005	15.08	12.61	11.80	11.79	15.06
Southeast (Atlanta) 6/	007	15.08	12.61	11.80	11.79	15.06
Florida (Tampa) 7/	006	15.98	12.61	11.80	11.79	15.96
Mideast (Cleveland) 8/	033	13.98	12.61	11.80	11.79	13.96
Upper Midwest (Chicago) 9/	030	13.78	12.61	11.80	11.79	13.76
Central (Kansas City) 10/	032	13.98	12.61	11.80	11.79	13.96
Southwest (Dallas) 11/	126	14.98	12.61	11.80	11.79	14.96
Arizona-Las Vegas (Phoenix) 12/	131	14.33	12.61	11.80	11.79	14.31
Western (Salt Lake City) 13/	135	13.88	12.61	11.80	11.79	13.86
Pacific Northwest (Seattle) 14/	124	13.88	12.61	11.80	11.79	13.86
All-Market Average	---	14.56	12.61	11.80	11.79	14.54

1/ To convert the Class I price per 100 pounds to the Class I price per gallon, divide 11.63--the approximate number of gallons in 100 pounds of milk.
2/ Note: The mandatory $0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table.
3/ Names in parentheses are the major city in the principal pricing point of the market.
4/ Class I prices at other cities are: New York City, minus $0.10; Philadelphia, minus $0.20; Baltimore, minus $0.25; and Washington, DC, minus $0.25.
5/ Class I prices at other cities are: Knoxville, minus $0.30 and Louisville, minus $0.90.
6/ Class I prices at other cities are: New Orleans; plus $0.50; Memphis, minus $0.30; Nashville, minus $0.50; and Springfield, Mo., minus $0.90.
7/ Class I prices at other cities are: Orlando, same; Miami, plus $0.30; and Jacksonville, minus $0.30.
8/ Class I prices at other cities are: Indianapolis, same; Cincinnati, plus $0.20; Pittsburgh, plus $0.10; and Detroit, minus $0.20.
9/ Class I prices at other cities are: Milwaukee, minus $0.05; and Minneapolis, minus $0.10.
10/ Class I prices at other cities are: Des Moines, minus $0.20; Omaha, minus $0.15; Oklahoma City, plus $0.60; St. Louis, same; and Denver, plus $0.55.
11/ Class I prices at other cities are: Houston, plus $0.60; San Antonio, plus $0.45; Albuquerque, minus $0.65; and El Paso, minus $0.75.
12/ Class I price at Las Vegas is minus $0.35.
13/ Class I price at Boise is minus $0.30.
14/ Class I prices at other cities are: Portland, same; and Spokane, same.

2001 MONTHLY AVERAGES

AREA and PRODUCT	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVERAGE#
CHICAGO MERCANTILE EXCHANGE													
BUTTER - DAILY TRADING													
GRADE AA	1.2531	1.3852	1.5708	1.8217	1.8713	1.9783	1.8971	2.0880	2.0563	1.4070	1.3481	1.2793	1.6630
CHEESE - DAILY TRADING													
BARRELS	1.0860	1.2232	1.2770	1.3885	1.5665	1.6137	1.6312	1.6415	1.6707	1.3036	1.2105	1.2500	1.4052
40# BLOCKS	1.0912	1.2184	1.3161	1.4180	1.6023	1.6599	1.6699	1.7126	1.7174	1.3346	1.2668	1.2567	1.4387
NONFAT DRY MILK - DAILY TRADING													
EXTRA GRADE	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300	1.0071	.9900	.9900	.9900	.9900	.9900	1.0114
GRADE A	1.0300	1.0300	1.0300	1.0355	1.0400	1.0400	1.0114	1.0000	1.0000	1.0000	1.0000	1.0000	1.0181
CHEESE													
MIDWEST COMMODITY CHEDDAR													
CHEDDAR BARRELS	1.0871	1.2066	1.2814	1.3718	1.5825	1.6210	1.6344	1.6404	1.6796	1.3568	1.2115	1.2663	1.4116
CHEDDAR 40# BLOCKS	1.1025	1.2001	1.3188	1.4051	1.6028	1.6677	1.6845	1.7179	1.7390	1.3969	1.2643	1.2910	1.4492
WISCONSIN													
PROCESS AMERICAN 5# LOAF	1.3951	1.4574	1.5263	1.6128	1.8076	1.9081	1.9349	1.9536	1.9994	1.8412	1.6806	1.6516	1.7307
BRICK AND/OR MUENSTER 5#	1.5707	1.6119	1.7163	1.8029	1.9956	2.0974	2.1273	2.1506	2.1919	2.0399	1.8323	1.7717	1.9090
CHEDDAR 40# BLOCKS	1.7811	1.7867	1.8225	1.8742	1.9684	2.0280	2.0475	2.0608	2.0906	1.9743	1.8769	1.8809	1.9327
MONTEREY JACK 10#	1.8839	1.8899	1.9225	1.9749	2.1245	2.2071	2.2160	2.2296	2.2442	2.1249	1.9949	1.9908	2.0669
BLUE 5#	1.9561	1.9994	2.1038	2.1904	2.3831	2.4811	2.5131	2.5464	2.5919	2.4517	2.2535	2.1977	2.3057
MOZZARELLA 5 - 6#	1.8368	1.8459	1.8775	1.9339	2.0234	2.0865	2.1108	2.1284	2.1564	2.0534	1.9569	1.9369	1.9956
GRADE A SWISS CUTS 6 - 9#	2.3757	2.3650	2.3650	2.3650	2.4059	2.4692	2.5475	2.5629	2.5725	2.5475	2.4363	2.3538	2.4472
NORTHEAST													
CHEDDAR 10# PRINTS	1.3768	1.4483	1.5876	1.6575	1.8543	1.9318	1.9495	1.9766	2.0059	1.7161	1.5219	1.5539	1.7150
CHEDDAR SINGLE DAISIES	1.3293	1.4008	1.5401	1.6100	1.8068	1.8843	1.9020	1.9291	1.9584	1.6686	1.4744	1.5064	1.6675
CHEDDAR 40# BLOCKS	1.3293	1.4008	1.5395	1.6088	1.8056	1.8830	1.9008	1.9279	1.9572	1.6668	1.4654	1.5064	1.6660
PROCESS 5# LOAF	1.3840	1.4774	1.5688	1.6373	1.8351	1.9063	1.9146	1.9232	1.9707	1.6895	1.4763	1.5493	1.6944
PROCESS 5# SLICED	1.4455	1.5387	1.6300	1.6986	1.9015	1.9755	1.9833	1.9920	2.0394	1.7582*	1.5450	1.6171	1.7604
MUENSTER	1.4055	1.4770	1.6164	1.6863	1.8831	1.9605	1.9783	2.0054	2.0347	1.7449	1.5506	1.5826	1.7438
GRADE A SWISS CUTS 10 - 14#	2.4500	2.4500	2.4500	2.4500	2.4500	2.4500	2.4500	2.4500	2.4500	2.4500	2.4500	2.4500	2.4500
WEST													
PROCESS 5# LOAF	1.3698	1.4637	1.5544	1.6211	1.8240	1.8954	1.9025	1.9120	1.9600	1.6807	1.4699	1.5434	1.6831
CHEDDAR 40# BLOCKS	1.2918	1.3629	1.5001	1.5707	1.7763	1.8555	1.8713	1.8979	1.9265	1.6368	1.4431	1.4722	1.6338
CHEDDAR 10# CUTS	1.5118	1.5829	1.7201	1.7900	1.9868	2.0643	2.0800	2.1066	2.1353	1.8456	1.6519	1.6838	1.8466
MONTEREY JACK 10#	1.4918	1.5593	1.6981	1.7700	1.9668	2.0443	2.0600	2.0866	2.1153	1.8295	1.6319	1.6638	1.8265
GRADE A SWISS CUTS 6 - 9#	2.4114	2.4050	2.4050	2.4050	2.4275	2.4450	2.4450	2.4504	2.4700	2.4700	2.4638	2.4450	2.4369
FLUID PRODUCTS													
CLASS II CREAM													
NORTHEAST - F.O.B.	1.5248	1.7369	2.0288	2.3171	2.4797	2.5797	2.5378	2.7339	2.7301	1.8785	1.7195	1.6734	2.1617
ATLANTA - DEL. EQUIV	1.5263	1.7454	2.0346	2.3212	2.4897	2.5532	2.5206	2.7389	2.7862	1.8767	1.7225	1.6767	2.1660
UPPER MIDWEST - F.O.B.	1.6033	1.7911	2.0179	2.3066	2.4781	2.6078	2.5631	2.7560	2.8932	1.9240	1.7246	1.6572	2.1936
CONDENSED SKIM - NORTHEAST - F.O.B.													
CLASS II	1.1107	1.1195	1.1200	1.1200	1.1200	1.1045	1.0995	1.0852	1.0800	1.0845	1.0435	1.0400	1.0940
CLASS III	0.8429	0.8818	0.9077	0.9074	0.8925	0.8800	0.9293	1.0252	1.0400	1.0900	1.0365	1.0173	0.9542
EVAPORATED MILK	26.5000	26.8684*	27.5000*	27.5000*	27.5000	27.5000	27.5000	27.5000	26.5132	26.2159	26.0000	26.0000	26.9248

2001 MONTHLY AVERAGES

AREA and PRODUCT	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVERAGE#
DRY PRODUCTS													
NONFAT DRY MILK													
CENTRAL - LOW/MEDIUM HEAT	1.0364	1.0316	1.0313	1.0426	1.0399	1.0251	1.0027	0.9903	0.9932	0.9882	0.9606	0.9576	1.0083
-- MOSTLY	1.0315	1.0255	1.0250	1.0327	1.0375	1.0387	0.9963	0.9675	0.9879	0.9882	0.9639	0.9576	1.0044
WEST - LOW/MEDIUM HEAT	1.0127	1.0103	1.0117	1.0125	1.0134	0.9960	0.9598	0.9616	0.9705	0.9638	0.9602	0.9591	0.9860
-- MOSTLY	1.0100	1.0100	1.0100	1.0101	1.0118	1.0026	0.9550	0.9422	0.9413	0.9433	0.9235	0.9184	0.9732
WEST - HIGH HEAT	1.0600	1.0570	1.0539	1.0502	1.0597	1.0576	1.0210	0.9950	0.9926	1.0047	0.9980	0.9875	1.0281
NORTHEAST - LOW/MEDIUM HEAT	1.0577	1.0586	1.0561	1.0551	1.0573	1.0608	1.0542	1.0053	0.9863	0.9859	0.9807	0.9707	1.0274
-- MOSTLY	1.0561	1.0471	1.0450	1.0438	1.0450	1.0510	1.0400	0.9925	0.9738	0.9732	0.9700	0.9636	1.0168
NORTHEAST - HIGH HEAT	1.0909	1.0959	1.0892	1.0826	1.0838	1.0849	1.0816	1.0232	1.0125	1.0122	1.0023	0.9955	1.0546
-- MOSTLY	1.0891	1.0832	1.0800	1.0776	1.0800	1.0824	1.0692	1.0245	1.0125	1.0122	1.0068	0.9975	1.0513
SOUTHEAST - EXTRA & GRADE A	1.1025	1.1023	1.0967	1.1001	1.1025	1.1061	1.0726	1.0400	1.0250	1.0207	1.0055	0.9800	1.0628
DRY BUTTERMILK													
CENTRAL	1.0286	1.0150	1.0338	1.0786	1.0986	1.0949	1.0942	1.0641	1.0733	1.0818	1.0708	1.0465	1.0650
WEST	1.0000	0.9992	0.9984	1.0205	1.0395	1.0643	1.0690	1.0339	1.0386	1.0525	1.0525	1.0513	1.0350
-- MOSTLY	0.9850	0.9842	0.9834	1.0102	1.0477	1.0621	1.0631	1.0363	1.0429	1.0450	1.0450	1.0375	1.0285
NORTHEAST	0.9900	0.9963	1.0000	1.0136	1.0432	1.0521	1.0525	1.0525	1.0525	1.0466	1.0250	1.0250	1.0291
SOUTHEAST	1.0550	1.0582	1.0600	1.0852	1.1045	1.1193	1.1200	1.0874	1.0825	1.0800	1.0744	1.0644	1.0826
WHEY POWDER													
CENTRAL -	0.2719	0.2514	0.2389	0.2502	0.2684	0.2948	0.2964	0.2786	0.2926	0.2899	0.2979	0.3016	0.2777
-- MOSTLY	0.2690	0.2563	0.2430	0.2492	0.2671	0.2925	0.2950	0.2939	0.2938	0.2904	0.2948	0.2975	0.2785
NORTHEAST - EXTRA GRADE	0.2721	0.2693	0.2509	0.2532	0.2685	0.2924	0.2975	0.2975	0.2975	0.2957	0.2933	0.2975	0.2821
NORTHEAST - USPH GRADE A	0.2746	0.2754	0.2642	0.2652	0.2736	0.2924	0.3000	0.3000	0.3000	0.3000	0.3028	0.3063	0.2879
SOUTHEAST - EXTRA GRADE	0.3084	0.3025	0.2789	0.2835	0.2943	0.3266	0.3292	0.3275	0.3275	0.3216	0.3249	0.3253	0.3125
WEST -	0.2383	0.2370	0.2362	0.2413	0.2551	0.2632	0.2707	0.2717	0.2750	0.2784	0.2789	0.2656	0.2593
-- MOSTLY	0.2262	0.2338	0.2397	0.2511	0.2606	0.2677	0.2701	0.2727	0.2725	0.2738	0.2738	0.2641	0.2588
ANIMAL FEED													
CENTRAL - MILK REPLACER	0.2271	0.2150	0.1945	0.2129	0.2348	0.2652	0.2629	0.2418	0.2487	0.2494	0.2498	0.2669	0.2391
CENTRAL - ROLLER GROUND	0.2643	0.2586*	0.2435	0.2492	0.2615	0.2877	0.2925	0.2900	0.2875	0.2855	0.2846	0.2888	0.2745
CENTRAL - DELACTOSE	0.4092	0.4225	0.4225	0.4225	0.4225	0.4225	0.4225	0.4225	0.4225	0.4225	0.4225	0.4225	0.4214
LACTOSE													
CENTRAL AND WEST	0.1818	0.1850	0.1864	0.1913	0.1913	0.2049	0.2183	0.2247	0.2250	0.2313	0.2338	0.2338	0.2090
-- MOSTLY	0.1675	0.1675	0.1698	0.1783	0.1848	0.1974	0.2075	0.2075	0.2075	0.2175	0.2175	0.2178	0.1951
WHEY PROTEIN CONCENTRATE													
CENTRAL AND WEST	0.7780	0.7982	0.8038	0.8093	0.8075	0.8021	0.7925	0.7805	0.7713	0.7551	0.7352	0.6984	0.7777
-- MOSTLY	0.7674	0.7870	0.7900	0.7950	0.7950	0.7950	0.7893	0.7807	0.7800	0.7673	0.7490	0.7081	0.7753
DRY WHOLE MILK													
F.O.B. PRODUCING PLANT	1.3345	1.3200	1.3399	1.4040	1.4606	1.5174	1.5325	1.5053	1.5049	1.4641	1.3245	1.2250	1.4111
CASEIN REVIEW													
ACID	2.5036	2.5250	2.5250	2.5500	2.5500	2.5500	2.5667	2.6000	2.6000	2.5500	2.5500	2.5363	2.5506
RENNET	2.4000	2.4092	2.4250	2.5500	2.5500	2.5500	2.5924	2.6150	2.6150	2.5764	2.5650	2.5580	2.5338

= Annual averages are simple averages of the twelve monthly averages. * = Monthly average has been revised from initial published monthly average release.

ANNOUNCED COOPERATIVE CLASS I PRICES IN SELECTED CITIES, JANUARY 2002, WITH COMPARISONS 1/

CITY	JAN 2000			JAN 2001			DEC 2001			JAN 2002		
	Coop.	Federal Order	Differ-ence	Coop.	Federal Order	Differ-ence	Coop.	Federal Order	Differ-ence	Coop.	Federal Order	Differ-ence
	Dollars Per Hundredweight											
Atlanta, GA	15.75	14.00	1.75	18.17	17.09	1.08	16.33	15.08	1.25	16.25	15.06	1.19
Baltimore, MD	15.35	13.90	1.45	18.74	16.99	1.75	16.73	14.98	1.75	16.71	14.96	1.75
Boston, MA *	14.63	14.15	0.48	17.72	17.24	0.48	16.83	15.23	1.60	16.81	15.21	1.60
Carbondale, IL	14.81	13.10	1.71	17.90	16.19	1.71	15.89	14.18	1.71	15.87	14.16	1.71
Charlotte, NC	15.75	14.00	1.75	18.17	17.09	1.08	16.33	15.08	1.25	16.25	15.06	1.19
Chicago, IL	14.69	12.70	1.99	17.74	15.79	1.95	15.73	13.78	1.95	15.73	13.76	1.97
Cincinnati, OH	14.80	13.10	1.70	17.97	16.19	1.78	15.95	14.18	1.77	15.96	14.16	1.80
Cleveland, OH	14.30	12.90	1.40	17.77	15.99	1.78	15.75	13.98	1.77	15.76	13.96	1.80
Dallas, TX	15.20	13.90	1.30	16.99	16.99	0.00	15.82	14.98	0.84	15.82	14.96	0.86
Denver, CO	14.15	13.45	0.70	17.24	16.54	0.70	15.73	14.53	1.20	15.71	14.51	1.20
Des Moines, IA	14.10	12.70	1.40	16.85	15.79	1.06	14.99	13.78	1.21	14.91	13.76	1.15
Detroit, MI	13.95	12.70	1.25	16.79	15.79	1.00	15.03	13.78	1.25	15.03	13.76	1.27
Hartford, CT *	14.53	14.05	0.48	17.62	17.14	0.48	16.73	15.13	1.60	16.71	15.11	1.60
Houston, TX	15.80	14.50	1.30	17.59	17.59	0.00	16.42	15.58	0.84	16.42	15.56	0.86
Indianapolis, IN	14.45	12.90	1.55	17.77	15.99	1.78	15.75	13.98	1.77	15.76	13.96	1.80
Kansas City, MO	14.55	12.90	1.65	16.95	15.99	0.96	15.19	13.98	1.21	15.11	13.96	1.15
Louisville, KY	14.50	13.10	1.40	17.19	16.19	1.00	15.18	14.18	1.00	15.16	14.16	1.00
Memphis, TN	15.05	13.70	1.35	17.47	16.79	0.68	15.83	14.78	1.05	15.75	14.76	0.99
Miami, FL	18.32	15.20	3.12	20.68	18.29	2.39	18.84	16.28	2.56	18.76	16.26	2.50
Milwaukee, WI	14.60	12.65	1.95	17.84	15.74	2.10	15.83	13.73	2.10	15.83	13.71	2.12
Minneapolis, MN	13.95	12.60	1.35	17.05	15.69	1.36	15.19	13.68	1.51	15.34	13.66	1.68
New Orleans, LA	15.90	14.50	1.40	18.32	17.59	0.73	16.48	15.58	0.90	16.40	15.56	0.84
Oklahoma City, OK	14.90	13.50	1.40	17.39	16.59	0.80	15.63	14.58	1.05	15.61	14.56	1.05
Omaha, NE	14.00	12.75	1.25	16.90	15.84	1.06	15.04	13.83	1.21	14.96	13.81	1.15
Philadelphia, PA	15.37	13.95	1.42	18.91	17.04	1.87	16.90	15.03	1.87	16.88	15.01	1.87
Phoenix, AZ	13.85	13.25	0.60	16.49	16.34	0.15	14.48	14.33	0.15	14.46	14.31	0.15
Pittsburgh, PA	14.20	13.00	1.20	18.29	16.09	2.20	16.28	14.08	2.20	16.26	14.06	2.20
St. Louis, MO	14.61	12.90	1.71	17.70	15.99	1.71	15.69	13.98	1.71	15.67	13.96	1.71
Salt Lake City, UT	13.05	12.80	0.25	16.14	15.89	0.25	14.18	13.88	0.30	14.16	13.86	0.30
Seattle, WA	14.93	12.80	2.13	16.31	15.89	0.42	14.30	13.88	0.42	15.42	13.86	1.56
Spokane, WA	14.93	12.80	2.13	16.31	15.89	0.42	14.30	13.88	0.42	15.42	13.86	1.56
Springfield, MO	14.65	13.10	1.55	16.99	16.19	0.80	14.98	14.18	0.80	14.96	14.16	0.80
Washington, DC	15.35	13.90	1.45	18.74	16.99	1.75	16.73	14.98	1.75	16.71	14.96	1.75
Simple Average	14.82	13.38	1.44	17.60	16.47	1.13	15.79	14.46	1.33	15.84	14.44	1.40

*NOTE: The Northeast Dairy Compact had established a Class I price level of $16.94 for the period July 1997-September 2001. The Compact ceased operation on 9/30/01. The Compact obligation was $16.94 less the Federal order Class I price shown for Boston. The effective Class I price level was the Federal order price at location plus the Compact obligation plus the figure shown under the column labeled "Difference." When the Federal order Class I price shown for Boston was higher than the Compact Class I price, the Compact price was not effective.

1/ Class I prices announced for the beginning of the month by the major cooperative in each city market. These prices may not apply to all of the Class I sales in these city markets. Announced prices may not include handling or service charges applicable to milk from supply plants and competitive credits which may be allowed. These prices have not been verified as having been actually paid by handlers.

WORLD DAIRY SITUATION AND OUTLOOK*

Dairy Production and Trade Developments Summary - The most significant feature characterizing international dairy markets as of mid-December 2001 is the precipitous decline that has developed in international prices for milk powders, particularly for nonfat dry milk (NDM). Prices for whole milk powder (WMP) have also been diving but somewhat less steeply. Cheese and butter prices have also declined but at more moderate rates. Of course, international butter prices never did reach the $2000/ton level like the other three products.

Total cow milk production in selected countries for 2001 is estimated at 378.5 million tons, marginally above 2000. For 2002, growth in milk production is expected to approximate 4 million tons with the U.S. accounting for roughly half the increase. Oceania and Russia are also forecast to produce more. The outbreak of Foot and Mouth Disease in Europe appears to have affected dairy cow numbers less that earlier expected.

Cheese production is forecast to reach 12.7 million tons in 2002, approximately 2 percent higher than estimated 2001. With expanded milk production, the United States is expected to increase cheese production despite some softening in demand. In the European Union (EU), cheese consumption appears to be benefiting from concerns regarding meat consumption. EU cheese exports are expected to remain nearly stable for the second year in a row. Further growth in cheese production and exports is likely in 2002 for Australia and New Zealand.

Butter production in the United States and the EU are expected to show declines in 2001, mainly in response to the production declines for milk. With more milk, U.S. production is forecast to recover in 2002 but the EU may continue its downtrend. Probably reflecting the relatively lower international prices, 2002 butter production is forecast to decline in New Zealand. Preliminary indications show that Russia has imported considerably more butter thus far in 2001 than in the comparable period of 2000.

Nonfat dry milk (NDM) production in 2002 is forecast at nearly 3.2 million tons, about 2 percent above the revised estimate for 2001. Most of the increase reflects the higher milk production in Russia, Ukraine and India. For the selected countries, aggregate exports may show further growth in 2002 even though Oceania as a region is expected to be down again. International prices had strengthened sufficiently by mid-2001 to allow some non-subsidized exports to move from both the United States and the EU. With the sharp decline in international NDM prices, both regions have reactivated their export subsidy programs in the closing months of the year.

U.S. Dairy Product Trade – Exports - Bureau of the Census export data for the first months of 2001 show that the pace of U.S. dairy product exports is running well ahead of 2000. For the first 10 months of 2001, the total value of dairy exports was $882 million compared to $784 million in the same period of 2000. Further processed items such as food preparations contributed most of the gain. For basic dairy products, cheese and condensed milk exports are significantly higher. The value of milk powder shipments, which is mainly a function of DEIP activity, was up. Exports in the whey complex were down as larger exports of whey protein concentrate were more than offset by reduced dry whey exports. With no DEIP activity and several months of higher than normal domestic prices, exports of butter and butterfats are off sharply.

On a regional basis, the value of shipments to Mexico is running ahead of last year and, at least temporarily, has put that country in the top spot as the destination of US dairy exports. For the January-October period, the pace of exports to Canada was down slightly from last year, when a significant increase occurred. Exports to Japan, the number three market, are down slightly, though shipments to Asia overall are significantly higher. Growth is particularly strong for shipments to China, Korea, and the Philippines.

Imports - Data on dairy imports, also from the Bureau of the Census, show the pace of imports during the first 10 months of 2001 running ahead of that of 2000, i.e., $1,348 million this year compared with $1,247 million last year. For cheese, the largest imported product, both volume and value are running above last year. The largest increase is for American type cheese. The value of casein, the second leading import item, was up even though the quantity imported was down over 10 percent. Imports of milk protein concentrate are off roughly 50 percent from last year's record level.

SOURCE: "Dairy: World Markets and Trade", FD 2-01, December 2001, Foreign Agricultural Service, USDA. For more information contact Authur Coffing at (202) 720-3761.

CONSUMER PRICE INDEX (CPI-U) AND AVERAGE RETAIL PRICES FOR SELECTED PRODUCTS, U.S. CITY AVERAGE 1/

Month and Year	All Food		Dairy Products		Fresh Whole Milk		Cheese		Butter		Meat, Poultry, Fish and Eggs	
	CPI 2/	Pct. Chg.3/	CPI 2/	Pct. Chg.3/	CPI 2/	Pct. Chg.3/	CPI 2/	Pct. Chg.3/	CPI 2/	Pct. Chg.3/	CPI 2/	Pct. Chg.3/
SEP 2001	174.1	3.1	169.4	4.8	167.0	5.2	171.6	5.3	187.8	37.2	162.4	3.5
OCT 2001	174.9	3.4	170.8	5.5	170.2	7.0	172.0	5.0	186.0	37.6	163.5	4.3
NOV 2001	174.6	3.4	171.2	6.1	169.2	8.0	172.6	6.0	171.1	27.9	162.7	4.6

U.S. City Average Retail Prices

Month	Whole Milk 4/		Lowfat Milk 4/		Butter 5/		Process Cheese 6/		Natural Cheese 7/		Ice Cream 8/	
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
	Dollars											
SEPTEMBER	2.941	2.809	2.653	2.697	3.697	2.595	3.984	3.650	4.143	3.876	3.815	3.586
OCTOBER	2.954	2.805	2.675	2.720	3.688	2.627	4.023	3.640	4.216	3.930	3.824	3.620
NOVEMBER	2.890	2.753	2.649	2.633	3.162	2.483	3.971	3.639	4.241	3.862	3.463	3.320

NA = Not available. 1/ "CPI Detailed Report," "Consumer Prices: Energy and Food," BLS, U.S. Department of Labor. According to BLS, average prices are best used to measure the price level in a particular month. To measure price change over time, the CPI is more appropriate. 2/ The standard reference base period for these indexes is 1982-1984 = 100. 3/ Percent change over previous year. 4/ Per gallon. 5/ Per pound. Grade AA, salted, stick butter. 6/ Per pound, any size and type of package. 7/ Per pound, cheddar cheese in any size and type of package and variety (sharp, mild, smoked, etc.). 8/ Per 1/2 gallon, prepackaged regular.

COMMERCIAL DISAPPEARANCE: TOTAL MILK AND SELECTED DAIRY PRODUCTS-AUGUST-OCTOBER AND YEAR-TO-DATE 2000-2001 1/

Item	Aug.-Oct. 2000	Percent change 2/	Aug.-Oct. 2001	Percent change 2/	Jan.-Oct. 2000	Percent change 2/	Jan.-Oct. 2001	Percent change 2/
	Million Pounds							
MILK								
Production	40,752	2.5	40,366	-0.9	140,694	3.3	138,230	-1.4
Marketings	40,422	2.6	40,045	-0.9	139,601	3.4	137,169	-1.4
Beginning Commercial Stocks 3/	10,846	15.0	9,968	-8.1	6,143	16.5	6,839	11.3
Imports 3/	1,102	-20.3	1,441	30.8	3,711	-6.5	4,809	29.6
Total Supply 4/	52,370	4.3	51,454	-1.7	149,455	3.6	148,817	-0.1
Ending Commercial Stocks 3/	7,853	11.9	8,058	2.6	7,853	11.9	8,058	2.6
Net Removals 3/	118	53.2	3	-97.5	708	185.5	117	-83.5
Commercial Disappearance 4/	44,399	2.9	43,393	-2.3	140,894	2.8	140,642	0.1
SELECTED PRODUCTS 5/								
Butter	364.2	6.0	343.8	-5.6	1,050.2	-0.2	997.6	-4.7
American Cheese	942.4	-1.9	957.2	1.6	2,985.6	1.5	3,063.8	3.0
Other Cheese	1,327.9	7.4	1,235.2	-7.0	4,106.8	7.6	4,079.1	-0.4
Nonfat Dry Milk	217.2	8.4	299.8	38.0	639.2	-1.8	828.8	30.0
Fluid Milk Products 6/	14,063.6	0.1	13,984.3	-0.6	46,027.7	-0.7	45,721.5	-0.3

1/ Commercial disappearance includes civilian and military purchases of milk and dairy products for domestic and foreign use, but excludes farm household use and USDA donations of dairy products. Disappearance is a residual figure and therefore can be affected by any inaccuracies in estimating milk production, on-farm use, stocks, and imports. 2/ From year earlier on a daily average basis. 3/ Milk-equivalent, milkfat basis. 4/ Totals may not add because of rounding. 5/ Commercial disappearance in product pounds. 6/ Sales. Estimate based on actual sales in Federal milk order marketing areas and California. These sales figures have not been adjusted for calendar composition. **SOURCE:** Economic Research Service, USDA. Fluid milk products - Agricultural Marketing Service, USDA.

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE PERIOD OF JANUARY 1 – 11, 2002			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES#	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/01	SAME PERIOD LAST YEAR	WEEK ENDING 01/04/02	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unsalted	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	-0-	3,050,083	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	3,659,303	-0-	-0-
Process	-0-	-0-	-0-	-0-	3,682,800	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	10,392,186	-0-	-0-
NONFAT DRY MILK							
Nonfortified	25,155,239	119,012	25,036,227	102,003,861	121,645,404	668,020,000	348,674,000
Fortified	-0-	-0-	-0-	-0-	22,042,272	38,227,000	31,984,000
TOTAL	25,155,239	119,012	25,036,227	102,003,861	143,687,676	706,247,000	380,658,000

Although an uncommitted inventory of NDM has continued to exist for some time, it has not been reported due to CCC's efforts to utilize all NDM purchased under price support.

MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
PERIOD OF JANUARY 1 - 11, 2002 =	5.5	291.4	COMPARABLE PERIOD IN 2001 =	8.9	123.9
CUMULATIVE SINCE OCTOBER 1, 2001 =	22.4	1,187.3	CUMULATIVE SAME PERIOD LAST YEAR =	125.4	1,606.5
CUMULATIVE JANUARY 1 – JANUARY 11, 2002 =	5.5	291.4	COMPARABLE CALENDAR YEAR 2001 =	8.9	123.9

* Factors used for Fat Solids Basis - Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22
**Factors used for Skim Solids Basis - Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE PERIOD OF JANUARY 1 – 11, 2002 (POUNDS)

	BUTTER			CHEESE			NONFAT DRY MILK	
REGION	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MIDWEST	-0-	-0-	-0-	-0-	-0-	-0-	1,056,541	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	23,662,333	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	317,353	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/01 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
REGION	2001/02	2000/01	2001/02	2000/01	2001/02	2000/01	2001/02	2000/01
MIDWEST	-0-	-0-	-0-	5,678,640	1,056,541	1,901,569	1.0	41.8
WEST	-0-	-0-	-0-	4,673,946	100,629,967	141,786,107	98.7	57.9
EAST	-0-	-0-	-0-	39,600	317,353	-0-	0.3	0.3
TOTAL	-0-	-0-	-0-	10,392,186	102,003,861	143,687,676	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER MAY 31, 2001

MANUFACTURING MILK Average Test 3.67% - $9.90 per cwt.; 3.5% - $9.80

BUTTER Bulk $.8548 per pound; 1# Prints $.8848
CHEESE 40 & 60# Blocks $1.1314 per pound; 500# Barrels $1.1014; Process American 5# $1.1839; Process Am. 2# $1.2239
NONFAT DRY MILK Nonfortified $.9000 per pound; Fortified $.9100; Instant $1.0575

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 12/22/01 & Comparable Week 2000

											U.S. TOTAL		% DAIRY OF ALL	
Regions* (000 HEAD)	1	2	3	4	5	6	7	8	9	10	WEEK	SINCE JAN 1	WEEK	SINCE JAN 1
2001-Dairy	0.2	0.8	6.3	4.6	20.8	2.5	0.5	1.2	13.1	2.9	52.9	2,536.3	45.3	45.5
2000-Dairy	0.2	0.6	6.5	5.2	20.6	2.6	1.6	0.9	11.8	3.5	53.6	2,585.9	49.4	48.4
2001-All cows	0.2	0.9	9.3	13.9	31.5	14.2	17.0	5.9	15.9	7.8	116.7	5,574.5		
2000-All cows	0.2	0.8	8.8	13.2	29.1	13.3	15.7	5.8	14.4	7.1	108.4	5,338.7		

SOURCE The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CLASS III (2000) AND BFP (1998-99) MILK PRICES,(3.5% BF, $/CWT. FOR COMPARISON PURPOSES ONLY)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1998	13.25	13.32	12.81	12.01	10.88	13.10	14.77	14.99	15.10	16.04	16.84	17.34
1999	16.27	10.27	11.62	11.81	11.26	11.42	13.59	15.79	16.26	11.49	9.79	9.63
2000	10.05	9.54	9.54	9.41	9.37	9.46	10.66	10.13	10.76	10.02	8.57	9.37

FEDERAL MILK ORDER CLASS PRICES FOR 2001 - 2002 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN 2002
I 1/	13.99	11.94	12.65	13.44	14.21	14.99	15.34	15.40	15.56	15.93	15.76	11.98	11.96
II	12.82	13.43	14.17	15.10	15.72	16.05	15.96	15.98	16.24	13.53	12.78	12.61	
III	9.99	10.27	11.42	12.06	13.83	15.02	15.46	15.55	15.90	14.60	11.31	11.80	
IV	12.13	12.70	13.46	14.41	15.04	15.33	14.81	15.06	15.59	12.77	11.97	11.79	

1/ Specific order differentials to be added to this base price are located at: www.ams.usda.gov/dairy/mib/class_prod_milk_comp_pr.htm